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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/804,586	03/12/2001	Arthur S. Haseltine	437-5	1896
7590	06/28/2005			
Jonathan A. Bay Attorney at Law Suite 314 333 Park Central East Springfield, MO 65806			EXAMINER LEVINE, ADAM L	
			ART UNIT 3625	PAPER NUMBER

DATE MAILED: 06/28/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/804,586

Applicant(s)

HASELTINE, ARTHUR S.

Examiner

Adam Levine

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 18 April 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 21, 25-27, 31-32 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 21, 25-27, 31 and 32 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12 March 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date. _____  | 6) <input type="checkbox"/> Other: _____                                    |

**DETAILED ACTION*****Response to Amendment***

In the Response filed April 18, 2005, amendments were made to the Claims, Title, Abstract, and body of the Specification. Amendments to the Title and Abstract are responsive to objections made in the Office Action dated January 14, 2005, and are acceptable. Previously presented Claims 21, 25-27, and 31-32 are pending. Previously presented Claims 22-24, 28-30, and 33-40 have been cancelled. Currently pending Claims 21, 25, 27, and 31 are currently amended. Currently pending Claims 21, 25-27, and 31-32 are considered in this FINAL OFFICE ACTION.

***Response to Arguments***

Applicant's arguments filed April 18, 2005, have been fully considered but they are not persuasive. The rejections stated in the Office Action mailed January 14, 2005 are maintained.

**Regarding Claim Rejections Under 35 USC § 112**

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. Rejection of amended **Claims 21, 25-27, and 31-32** is maintained.

**Claims 21, 25-27, and 31-32** as amended, are rejected under 35 U.S.C. 112,

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second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 21, 25, 27, and 31 have been significantly amended. Claims 21 and 27 are now in better form, however they still recite the steps of "providing": "a distributed user public;" and "a given remote seller;" It continues to appear that applicant is trying to claim the public and a seller. It is also unclear whether the applicant is in fact providing these as elements of the invention, along with "an out-sourced network" and "service bureau" or is attempting to claim the step of providing "a distributed user public" and "a given remote seller" **with** "an outsourced network." This later understanding is the Examiner's interpretation, however, it would require further amendment.

**Claims 25-26 and 31-32** are rejected as depending on rejected Claims 21 and 27 and therefore incorporating the indefiniteness in the limitations of Claims 21 and 27.

The Examiner has endeavored to continue the consideration of the amended application by determining the meaning of the various claims as best understood.

### **Regarding Claim Rejections Under 35 USC § 101**

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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2. Rejection of amended **Claims 21, 25-27, and 31-32** is maintained.

**Claims 21, 25-27, and 31-32** as amended, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Moreover, the courts have found that a claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer. See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). Finally, the Board of Patent Appeals and Interferences (BPAI) has recently affirmed a §101 rejection finding the claimed invention to be non-statutory based on a lack of technology. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

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As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble.

In the present case, mere recitation in the preamble that the method is intended to serve "generally online sellers" is insufficient to confer statutory subject matter upon otherwise abstract ideas without a positive recitation in the claims as a whole to breath life and meaning into the use of technology in the invention.

#### **Regarding Claim Rejections Under 35 USC § 102**

Applicant's arguments do not comply with 37 CFR 1.111(c) because they do not clearly point out the patentable novelty which he or she thinks the claims present in view of the state of the art disclosed by the references cited or the objections made. Further, they do not show how the amendments avoid such references or objections.

Applicant characterizes Walker (Paper #041207; US Patent No. 6,108,639) as describing a pawn shop operating on consignment, however there is no further support provided for that allegation and that description is not evident in Walker. Walker merely mentions consignment shops along with collectibles dealers and other third parties in describing the variety of third party

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escrow agents that could fill the role described in the present application. There is no clearly patentable novelty distinguishing a retail mailbox store from any other third party escrow agent that could fill the same role in the context of the present application or the prior art. There is nothing in Walker to preclude a retail mailbox store from occupying the third party escrow agent position. The choice of the present applicant to restrict itself to retail mailbox stores in filling that role does not lend patentable novelty to the application.

Applicant is unsure of the precise disposition of Claim 26. Applicant is referred to page 19 of the Office Action mailed January 14, 2005, where Claim 26 is rejected under 35 USC 102(e).

### ***Claim Objections***

3. Claim 32 is objected to because of the following informalities: Claim 32 depends from cancelled Claim 30. Appropriate correction is required. For purposes of this action, Claim 32 has been assumed to depend from Claim 27.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an

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application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

4. Rejection of amended **Claims 21, 25-27, and 31-32** is maintained.

**Claims 21, 25-27, and 31-32** as amended, are rejected under 35 U.S.C. 102(e) as being anticipated by Walker (Paper #041207; US Patent No. 6,108,639).

**Referring to Claim 21**, Walker discloses a method of secured exchanges of merchandise serving both a distributed user public as well as remote and generally online sellers; comprising the steps of:

providing a distributed user public;

providing a given remote seller;

providing an out-sourced network of distributed participating retail mailbox stores that supply a network of distributed, physical stores in which to offer walk-in merchandise inspections of remote sellers' merchandise;

providing an service bureau that supplies a secured-exchange program comprising the steps of:

a given user ordering merchandise from the given;

the given user and seller agreeing to a given participating retail mailbox store for a walk-in inspection; and,

the seller causing delivery of the merchandise to the given participating retail mailbox store;

whereby the given user can utilize the given point-of-access associate's participating retail mailbox store for a walk-in inspection of the merchandise before opting to accept or refuse delivery and.



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The present application's claimed participating retail mailbox stores supply physical stores for inspections of sellers' merchandise. A physical store is a distribution point. This is met by Walker's dealer/authenticators, who serve as distribution and inspection points for the subject goods. (See Walker page 3, lines 40 through 48).

The "secured exchange program" supplied by the "service bureau" described in the present application is the same as the "conditional purchase offer management system" described in Walker. In Walker, page 5, lines 6 through 10, the user ("buyer") orders merchandise by placing a conditional purchase offer with the CPO management system. In lines 62 through 65, and on page 10, lines 10 through 15, Walker shows that the CPO may be guaranteed (security provided against the order) by the buyer.

In any transaction the buyer and seller must ultimately agree upon each and every one of the final terms and conditions that will bind them. This is an abstract business condition that does not lend distinguishable patentability to the present application over Walker or any other method of doing business. It is inherent that the user and seller in Walker would necessarily agree to use a given dealer/authenticator in order for the transaction to take place, as it is inherent that the buyer and seller in the present application must agree upon a point-of-access associate. Walker at page 11, lines 35 through 38, and page 12, lines 28 to 32, discloses the criteria for determining an appropriate dealer/authenticator (point-of-access associate). These criteria having been agreed upon by the buyer (user) and seller, a person of ordinary skill would

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necessarily conclude that the consummation of the transaction using said dealer/authenticator means that the parties have agreed to the choice.

Walker provides for the seller to deliver the merchandise to the given dealer / authenticator on page 11, lines 38 to 40, and page 12, lines 32 to 34.

Walker provides further refinement beyond the present application in suggesting that the dealer/authenticator itself serves as a third-party inspector, however, on page 6, lines 36-38, Walker discloses an embodiment allowing the buyer to evaluate the inventory, which is the same as inspecting the goods.

Increased public traffic would also result from the method of Walker, as buyers present themselves to the location of the dealer/authenticator to take delivery or inspect the inventory.

Claim 25 is dependent upon and incorporates all of the elements of Claim 21. **Referring to Claim 25**, Walker, page 6, lines 41 through 46, discloses the secured exchange method of claim 21 wherein the service bureau (CPO management system) supplies program information to the participating retail mailbox stores including information for the given participating retail mailbox store on particular conditions of release the inspected merchandise to the inspecting user.

**Referring to Claim 26**, Walker discloses the secured exchange method of claim 25 wherein the particular conditions of release include verification that the inspecting user sufficiently fulfills or secures payment or barter for the inspected merchandise at page 10, lines 5 through 10, 13 through 15, and 30 to 40, and page 12, lines 16 through 28.

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**Referring to Claim 27**, Walker discloses a method of secured exchanges of merchandise facilitating transactions between a distributed user public and remote, generally online sellers; comprising the steps of:

- providing a distributed user public;

- providing a given remote seller;

- providing an out-sourced network of distributed participating retail mailbox stores that supply a network of distributed, physical stores in which to offer walk-in merchandise inspections of remote sellers' merchandise;

- providing an service bureau that supplies a secured-exchange program comprising the steps of:

  - a given user contacting the given seller to cause delivery for inspection of merchandise on a specified participating retail mailbox store; and,

  - the seller causing delivery of the merchandise to the specified participating retail mailbox store whereby the given user can utilize the opportunity for a walk-in inspection of the merchandise before opting to accept or refuse delivery.

The present application's claimed participating retail mailbox stores supply physical stores for inspections of sellers' merchandise. A physical store is a distribution point. This is met by Walker's dealer/authenticators, who serve as distribution and inspection points for the subject goods. (See Walker page 3, lines 40 through 48).

The "secured exchange program" supplied by the "service bureau" described in the present application is the same as the "conditional purchase offer management system," including a "central controller" described in Walker.

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In Walker, page 5, lines 6 through 10, the user ("buyer") orders merchandise by placing a conditional purchase offer with the CPO management system. Walker, on page 9, lines 62 to 66, discloses the user (buyer) contacting the seller through the central controller. On page 10, lines 5 through 15, Walker shows that the CPO may be guaranteed (security provided against the order) by the buyer putting his account information into the central controller.

Walker provides for the seller to deliver the merchandise to the given dealer / authenticator on page 11, lines 38 to 40, and page 12, lines 32 to 34. Walker provides further refinement beyond the present application in suggesting that the dealer/authenticator itself serves as a third-party inspector, however, on page 6, lines 36-38, Walker discloses an embodiment allowing the buyer to evaluate the inventory, which is the same as inspecting the merchandise. Increased public traffic would necessarily also result from the method of Walker, as buyers present themselves to the location of the dealer/authenticator to take delivery or inspect the inventory.

Claim 31 is dependent upon and incorporates all of the elements of Claim 27. **Regarding Claim 31**, Walker, page 6, lines 41 through 46, discloses the secured exchange method of claim 27 wherein the service bureau (CPO management system) supplies program information to the participating retail mailbox stores including information for the given participating retail mailbox store on particular conditions of release the inspected merchandise to the inspecting user.

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**Referring to Claim 32**, Walker discloses the secured exchange method of claim 27 wherein the particular conditions of release include verification that the inspecting user sufficiently fulfills or secures payment or barter for the inspected merchandise at page 10, lines 5 through 10, 13 through 15, and 30 to 40, and page 12, lines 16 through 28.

### ***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

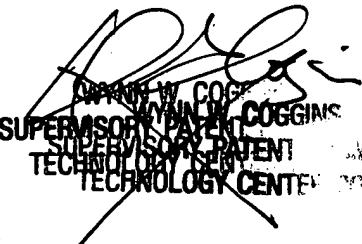
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Adam Levine whose telephone number is 571.272.8122. The examiner can normally be reached on M-F, 8:30-5:00 Eastern.


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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W. Coggins can be reached on 571.272.7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Adam Levine  
Patent Examiner  
June 23, 2005

  
WYNN W. COGGINS  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600

  
WYNN W. COGGINS  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600